activities. Offshore Venture Capital Funds/ Companies are allowed to invest in domestic venture capital undertaking as well as other companies through the automatic route, subject only to SEBI regulations and sector specific caps on FDI.

Impact of globalisation on tea industry

2528. DR. ARUN KUMAR SARMA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the impact of globalisation of future of tea industry in India;

(b) the reasons for sudden decline of tea market and action taken by the Government to rescue the tea producers especially the small tea growers;

(c) the details of financial and technical assistance provided to tea growers as a relief package, fixation of minimum support price, re-schedulement of loan, interest relief etc.; and

(d) the special packages taken by Tea Board, if any, in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDI): (a) With the lifting of quantitative restrictions on imports since April 2001, the domestic economy has been integrated with the world economy. Though imports of tea have increased, this has not had any significant impact on the domestic tea industry as such imports constitute only about 2% of the domestic production of tea. Besides, more than 95% of the imported tea is re-exported after blending with Indian tea. However, to protect against any future surge in imports, the import duty on tea has been increased from 70% to 100% in 2002-03.

(b) to (d) The tea growers in India are presently facing problems due to the decline in the prices of tea. This coupled with lower growth rate of domestic demand and higher cost of production, has adversely affected the tea industry including the small growers.

Government has taken several measures to assist the tea sector and make it more competitive in the liberalized regime. These measures include:

- Tea Board is implementing a quality upgradation programme in the country, for improving the quality of tea produced by small growers.
- Financial and technical incentives are being provided by Tea Board under its Plan Schemes for development activities like replantation, rejuvenation and modernization of tea factories.
- A Factory Upgradation Scheme has been implemented by the Tea Board to encourage the production of good quality orthodox and non-reconditioned Cut-Tear-Curl (CTC) teas in the country.
- RBI has announced in August, 2002, a relief package which provides for restructuring/re-schedulement of the loans outstanding in the tea sector from the commercial banks, etc.
- The allowance under Section 33AB of Income Tax Act has been increased from 20% to 40% in the Budget for 2001-02.
- Excise duty on tea has been reduced from Rs. 2 per kg. to Re.1 per kg in the Budget for 2002-03.
- Tea Marketing (Control) Order, 1984 has been modified to remove the condition of obligatory sale of 75% of tea production through public tea auctions. The producers of tea are now free to sell their teas anywhere.
- Tea Board is implementing a Medium Term Export Strategy on tea in close coordination with the tea industry. As a part of this strategy, a communication campaign to promote Indian tea and the Logo developed by the Tea Board was launched in Russia in October, 2002.
- Government has also provided financial incentives to exporters of tea for meeting a part of cost of handling, packaging, transport/ freight charges.
- Sale of tea in the Domestic Tariff Area (DTA) by 100% Export Oriented Units (EOUs) and units in Export Processing Zones (EPZs) is banned.
- A generic promotion campaign has been launched for improving the consumption of tea within the country.

- Government has also decided to establish a Price Stabilisation Fund (PSF) for providing relief to the growers of tea, coffee, rubber and tobacco.

FDI for setting-up Agro-Industries in various States

†2529. PROF. M.M. AGARWAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of the proposals regarding foreign capital investments received for the setting-up of the agro-based industries in Uttar Pradesh, Orissa, Madhya Pradesh, Rajasthan, Uttaranchal, Jharkhand, Chhattisgarh and North-Eastern States during the last three years, district-wise;

(b) the number of proposals which have been accorded approval and implemented;

(c) whether any scheme is being formulated by Government to make investments in the economically backward districts of the country for their development; and

(d) if so, by when this scheme is likely to be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH): (a) and (b) The Government has approved a total number of 90 Foreign Direct Investment (FDI) proposals for setting up agro-based industries, including sugar/vegetable oils and vanaspati/horticulture/agriculture/floriculture, during the last three years. A statement showing State-wise and year-wise break up of the approvals is enclosed (*see* below). Details of the approvals are published in the monthly SIA Newsletter brought out by Department of Industrial Policy & Promotion, which is widely circulated to various establishments, including the Parliament Library. The information is also posted on the SIA Website *(http://www.dipp.nic.in)*. The data regarding project-wise implementation is not centrally maintained.

(c) and (d) In its endeavour to attract higher FDI, the Government reviews the FDI policy on continuous basis with a view to providing an

†Original notice of the question was received in Hindi.